



General Assembly

***Amendment***

***January Session, 2015***

**LCO No. 6833**



Offered by:

REP. MEGNA, 97<sup>th</sup> Dist.

SEN. CRISCO, 17<sup>th</sup> Dist.

To: Subst. House Bill No. **6951**

File No. 421

Cal. No. 247

***"AN ACT CONCERNING THE INSURERS REHABILITATION AND LIQUIDATION ACT."***

1 After the last section, add the following and renumber sections and  
2 internal references accordingly:

3 "Sec. 501. (NEW) (*Effective October 1, 2015*) (a) The provisions of this  
4 section shall apply in accordance with Title II of the Dodd-Frank Wall  
5 Street Reform and Consumer Protection Act, P.L. 111-203, as amended  
6 from time to time, with respect to an insurer that is a covered financial  
7 company, as defined in 12 USC 5381, as amended from time to time.

8 (b) The Insurance Commissioner may file a petition with the clerk of  
9 the superior court for the judicial district of Hartford for an order  
10 authorizing the commissioner to rehabilitate or liquidate a domestic  
11 insurer on any one or more of the following grounds:

12 (1) (A) The Secretary of the Treasury of the United States, in  
13 consultation with the President of the United States, has determined

14 that the insurer is a financial company that satisfies the requirements  
15 of 12 USC 5383(b), as amended from time to time, (B) such insurer has  
16 been notified by said Secretary of such determination, and (C) the  
17 board of directors or similar governing body of such insurer acquiesces  
18 or consents to the appointment of a receiver pursuant to 12 USC  
19 5382(a)(1)(A)(i), as amended from time to time. Such acquiescence or  
20 consent shall be deemed to be consent to an order of rehabilitation or  
21 liquidation;

22 (2) The United States District Court for the District of Columbia has  
23 issued an order pursuant to 12 USC 5382(a)(1)(A)(iv)(I), as amended  
24 from time to time, granting the petition of said Secretary to appoint a  
25 receiver of such insurer under 12 USC 5382(a)(1)(A)(i), as amended  
26 from time to time; or

27 (3) A petition by said Secretary concerning such insurer has been  
28 granted by operation of law pursuant to 12 USC 5382(a)(1)(A)(v), as  
29 amended from time to time.

30 (c) Notwithstanding any other provision of chapter 704 of the  
31 general statutes, the superior court for the judicial district of Hartford  
32 may grant an order of rehabilitation or liquidation under subsection  
33 (b) of this section, after notifying such insurer, within twenty-four  
34 hours after the commissioner has filed the petition for such order. The  
35 filing of the petition shall satisfy the notice requirement to the insurer.  
36 The administrative judge of said district shall appoint a single judge to  
37 handle the petition and order.

38 (d) (1) If said court does not make a determination on such petition  
39 filed by the commissioner within twenty-four hours after such filing,  
40 the order of rehabilitation or liquidation shall be deemed granted at  
41 the expiration of such twenty-four-hour period. At the time such order  
42 is deemed granted under this subdivision, the provisions of chapter  
43 704c of the general statutes shall be deemed to be in effect and the  
44 commissioner shall be deemed to be appointed as the receiver and  
45 have all applicable powers under chapter 704c of the general statutes,

46 regardless of whether said court has entered an order of rehabilitation  
47 or liquidation.

48 (2) The said court shall expeditiously enter, if an order for  
49 rehabilitation or liquidation is deemed granted pursuant to  
50 subdivision (1) of this subsection, an order for rehabilitation or  
51 liquidation that (A) is effective as of the date such order is deemed  
52 granted pursuant to subdivision (1) of this subsection, and (B)  
53 conforms to the provisions for rehabilitation or liquidation, as  
54 applicable, under chapter 704c of the general statutes.

55 (e) No order of rehabilitation or liquidation under this section shall  
56 be subject to any stay or injunction pending appeal.

57 (f) Nothing in this section shall be construed to supersede or impair  
58 any other power or authority of the commissioner or the Superior  
59 Court under sections 38a-903 to 38a-961 inclusive, of the general  
60 statutes."

This act shall take effect as follows and shall amend the following sections:		
Sec. 501	October 1, 2015	New section